



Opening Remarks by CDFA Secretary A. G. Kawamura

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California State Senate

~ Sub Committees ~

Budget and Fiscal Review

Sub Committee No. 2 on Resources, Environmental Protection and Energy

Senator Sheila Kuehl, Chair

Senator Robert Dutton

Senator Alan Lowenthal

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- Madam Chair and esteemed members of the subcommittee: It is an honor to appear before you today to discuss the Department of Food and Agriculture's Budget Change Proposals.
 - I plan to focus my comments on what has become an urgent matter of public health and safety, and ask for your support of our Budget Change Proposal. This BCP centers on emerging threats, including the H5N1 bird flu virus currently circling the globe.
 - This is the most important issue facing our agency at this time, and it is the reason that I am here today.
 - There are four essential facts we should keep in mind:
 1. Bird flu may come to California in several different ways, but the most likely way is through an epidemic in poultry.

2. CDFA veterinarians and other experts believe that bird flu could be here by fall while cautioning that it could, in fact, arrive at any time.
 3. The good news would be that CDFA has the statutory responsibility, authority, experience and acknowledged experts to deal with such an epidemic.
 4. To be truly prepared, however, we need the resources outlined in the Governor's Budget.
- H5N1 bird flu has instilled a tremendous amount of fear and anxiety worldwide, including right here in California. That fear reaches us in news coverage every day. And while the threat to people is very real, should bird flu mutate to a human virus, the stronger likelihood is that it will arrive in California as an epidemic of birds, and specifically poultry. The likely means of exposure will be either through smuggling of birds, or wild birds.
 - The best chance of preventing a human pandemic is through eradication of the virus in poultry.
 - Please allow me to repeat that: **the best chance of preventing a human pandemic is through eradication of the virus in poultry.**
 - The World Organization for Animal Health and the World Health Organization has warned that the United States stands "a very high risk" of an H5N1 outbreak. The federal secretaries of Agriculture, Health and Human Services and Interior held a news conference a week ago today to underscore that.
 - We all know this epidemic would present a huge risk to public health, animal health and the economy. Multi-disciplinary State experts agree that this virus cannot be tolerated in California's domestic flock.
 - I would like to take a moment to acknowledge the Legislative Analyst's concerns with respect to the fact that we did not prepare an FSR (Feasibility Study Report) in advance of submitting our BCP. **I take full responsibility for the oversight and have worked with the Department of Finance to correct it.**
 - I would like to add that we respect the budget procedures, and we respect the LAO's concerns that we did not follow them.
 - **However, public health and safety should not be put at risk solely because of that.**

- As a result of the staff analysis of our BCP and various concerns that we have, our staff has prepared a clarifying document that I offer for the record.
- One of the points in this document clarifies that for an effective outreach and surveillance program, it is essential that a core team be in place at the state level to develop and deliver consistent, **coordinated** programs and messages at the local level.
- Under Food and Agricultural Code section 9562, the Department of Food and Agriculture would have the responsibility and legal authority to begin work on eradication of the virus, and the emerging threats BCP is critical to building an infrastructure to prepare for that, by creating 39 positions for scientific expertise and capabilities that are critical to CDFA's core mission.
- And CDFA has in place the nationally recognized experts with a track record for dealing with this kind of an epidemic. The concern today is those experts need tools they do not have to be fully prepared. The Emerging Threats BCP is about acquiring those tools.
- We're asking for \$7.2 million dollars. **That's a drop in the bucket compared to what our costs would be if we are caught unprepared.**
- Every opportunity for federal funding of this program has been explored, applied for and exhausted. What this proposal actually represents are the remaining gaps in our preparedness.
- Additional grant funding for these items is not an option. We have worked extensively with the state Office of Homeland Security on this. The majority of the costs in our budget proposals today are not eligible for funding under the federal homeland security grants administered by OHS. With the legislature's support, we must fund these vital investments out of state resources to better address the emerging agricultural threats to California.
- *I would like to recognize the Office of Homeland Security in the audience today Chief Deputy Director Gary Winuk, along with the Department of Health and Human Services, Deputy Director of Preventive Services Dr. Kevin Riley.* It is critical that we continue to work together with our partner agencies to prepare for this threat. In the wake of Hurricane Katrina, we are reminded that government leaders must put a value on emergency coordination and preparedness and **be ready to act decisively**. We appreciate that several of our partner agencies are here today, and we want to assure you that through multiple table top exercises, symposiums and interagency discussions, we are collaborating very well.
- To take you back in time a few years, when exotic Newcastle disease struck California's bird population in 2002, it cost \$151 million to eradicate the disease and caused another \$167 million in trade impacts.

- The Newcastle experience provided California with a model that would be used if the H5N1 virus hit. The bird flu is likely to progress much in the same way and with similar speed.
- In fact, our experience with Newcastle and its value to a bird flu incident is so widely respected that the USDA, the State of Virginia and Canada are among those that have recognized that the Newcastle response is an excellent model.
- Our bird flu response would be guided by the two people seated next to me today: State Veterinarian **Dr. Richard Breitmeyer** and CDFA's Director of Animal Health and Food Safety Services, **Dr. Annette Whiteford**.
- These are two of the leading public policy veterinarians in the country.
- In 2001, when foot-and-mouth disease hit Great Britain, the U.S. agriculture secretary called on Dr. Breitmeyer to formulate a plan to protect our country. That plan succeeded. In 2003, when Mad Cow Disease was detected in the state of Washington, the U.S. Ag secretary called in Dr. Breitmeyer again. We are blessed to have him here in California.
- In 2002, when exotic Newcastle disease struck, Dr. Whiteford was named co-commander of the effort, which covered four different states. The disease was eradicated in just 11 months, a much shorter time than projected.
- **So these two nationally recognized experts and veterans of the exotic Newcastle disease and other animal disease battles are telling us—and all Californians—that the emerging threats BCP is urgent and essential.**
- This budget appropriation for emerging threats is in the public's best interest.
- In closing, I respectfully ask for your support for this extremely important public policy decision before you today. We would be happy to answer any questions you may have. Thank you very much.